

**MINISTRY OF HOUSING  
AND URBAN DEVELOPMENT**

# Residential Tenancies Act Reforms

## Summary of proposed changes

### Current



**Periodic tenancy agreements** can be ended by the landlord for any reason and without a requirement to tell the tenant why.



**Fixed-term tenancy agreements** convert to periodic tenancies unless:

- A landlord or tenant gives notice for any reason 21-90 days before the term ends.
- The parties agree to extend or renew the fixed-term tenancy.



**Notice periods** are 42 days to end a periodic tenancy where:

- The landlord, or their family member, requires the property to live in
- The property is needed for an employee (and this is in the tenancy agreement).



**Notice period** is 42 days to end a periodic tenancy where:

- The property has been sold with a requirement by the owner for vacant possession.



**Installing a fixture**

Tenants must get landlord's consent and landlords cannot unreasonably withhold their consent.

### Proposed

Periodic tenancy agreements can only be ended by the landlord for one of the following reasons, which will be listed in the RTA:

- The landlord intends to make the property available for sale within 90 days of the tenant leaving the property.
- If the property was acquired for a business use other than residential rental accommodation and termination is required for the purposes of the business.
- The landlord intends to carry out extensive alterations or redevelopment at the property and it would be impractical for the tenant to live there during that process.

- The landlord wants to change the use of the premises.
- The premises are to be demolished.
- The landlord is not the owner of the property, and the landlord's interest ends.
- If the landlord has issued a tenant three notices for separate antisocial acts in any 90-day period, and applies to the Tenancy Tribunal to end the tenancy.
- If the landlord has given notice that a tenant has been at least five working days late with their rent payment on three separate occasions within a 90-day period, and applies to the Tenancy Tribunal to end the tenancy.
- Reasons specific to public housing.

Fixed-term tenancy agreements convert to periodic tenancies unless:

- A landlord gives notice using the reasons listed in the RTA for periodic tenancies.
- A tenant gives notice for any reason at least 28 days before the end of the tenancy.
- The parties agree to extend, renew or end the fixed-term tenancy.

Notice periods are 63 days. If using this reason, the landlord, or their family member, must require the property to live in for at least 90 days.

Notice period is 90 days and there are a wider specified range of grounds for notice.

Tenants must request permission to install a minor fitting and landlords can only decline for specified reasons. Tenants must pay for the installation cost. Landlords can place reasonable conditions around how the minor fitting is installed. Tenants must remove the minor fittings and remediate the property when the tenancy ends if the landlord does not agree to the fittings staying.

Examples of minor fittings:

- Visual fire alarms and doorbells, where they have low impacts.
- Securing furniture to baby-proof or protect against earthquake risk.
- Installing a baby gate.
- Installing dishwashers or washing machines.
- Curtains.

Landlords can decline a request for a minor fitting when:

- It is not low risk for installation and removal.
- Remediation back to a similar condition at the end of the tenancy is not reasonably possible.
- It will disturb hazardous materials.
- It will pose a health and safety risk that cannot be managed.
- It will require legal consents.
- It will compromise the landlords existing obligations.
- It will compromise the structural integrity, waterproofing or fundamental safety or character of the building.
- It will have unreasonable impacts on third parties.

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**Rent setting and increases**

No rules around rental bidding  
Rent can be increased every six months.

**Privacy and access to justice**

Tenancy Tribunal can make an order prohibiting the publication of the report or part of the proceedings before it (but there is a lack of clarity about when this can apply).

**Assignment**

Tenants can request to assign a fixed-term tenancy and landlords must not decline unreasonably. However, fixed-term tenancy agreements can prohibit assignment.

**Providing information**

Landlords can charge fees on agreement to assignment, subletting or ending a tenancy (break lease fees). Landlords are required to charge reasonable fees, but do not have to disclose the fees to the tenant.

Landlords will have an obligation under the healthy homes standards to keep various records and provide them on request to the Regulator (MBIE).

**Enforcement of the RTA**

- RTA has no infringement offences.
- Penalty levels for exemplary damages and criminal offences static since 2006.
- Regulator (MBIE) enters into voluntary agreements for parties to comply with RTA obligations.
- No ability for Regulator (MBIE) to issue improvement notices.

**Tenancy Tribunal**

The Tribunal can hear cases and make awards up to \$50,000.

The Regulator (MBIE) has to make separate applications for breaches by the same party across multiple properties.

### Proposed

Landlords and agents cannot seek rental bids. This includes advertising rental properties with no rental price listed or organising a rental auction.

Rent can be increased every 12 months.

Make it clearer that a party can apply for their identifying details to be removed from Tenancy Tribunal decisions before publication.

Introduce a new default position that identifying details will be removed if a party applies for this and they have been wholly or substantially successful in:

- Enforcing their rights; or
- Defending a claim against them.

All assignment requests must be considered, and landlords must not decline unreasonably.

Landlords must provide tenants with a breakdown of any fees charged on agreement to assignment, subletting or ending a tenancy (break lease fees). This will give tenants an opportunity to consider if the fees are reasonable.

Landlords will also have an obligation to provide the records relating to healthy home standards on request to tenants.

New infringement offence regime for straightforward breaches of the RTA.

Penalty levels for exemplary damages and criminal offences increased by between 50 and 80 percent.

Regulator (MBIE) continues to be able to enter into voluntary agreements for parties to comply with RTA obligations. Enforceable undertakings will carry a penalty if obligation not met.

Regulator (MBIE) can issue improvement notices to correct a breach of the RTA – these carry a penalty if not complied with.

New class of civil penalties for most serious breaches of the RTA.

Tenancy Tribunal can hear cases and make awards up to \$100,000.

Regulator (MBIE) can take a single application to the Tribunal to cover multiple breaches across multiple properties.